

# Bridging the Gap

**Powering Economic Growth  
Through Clean Energy**



# Introduction

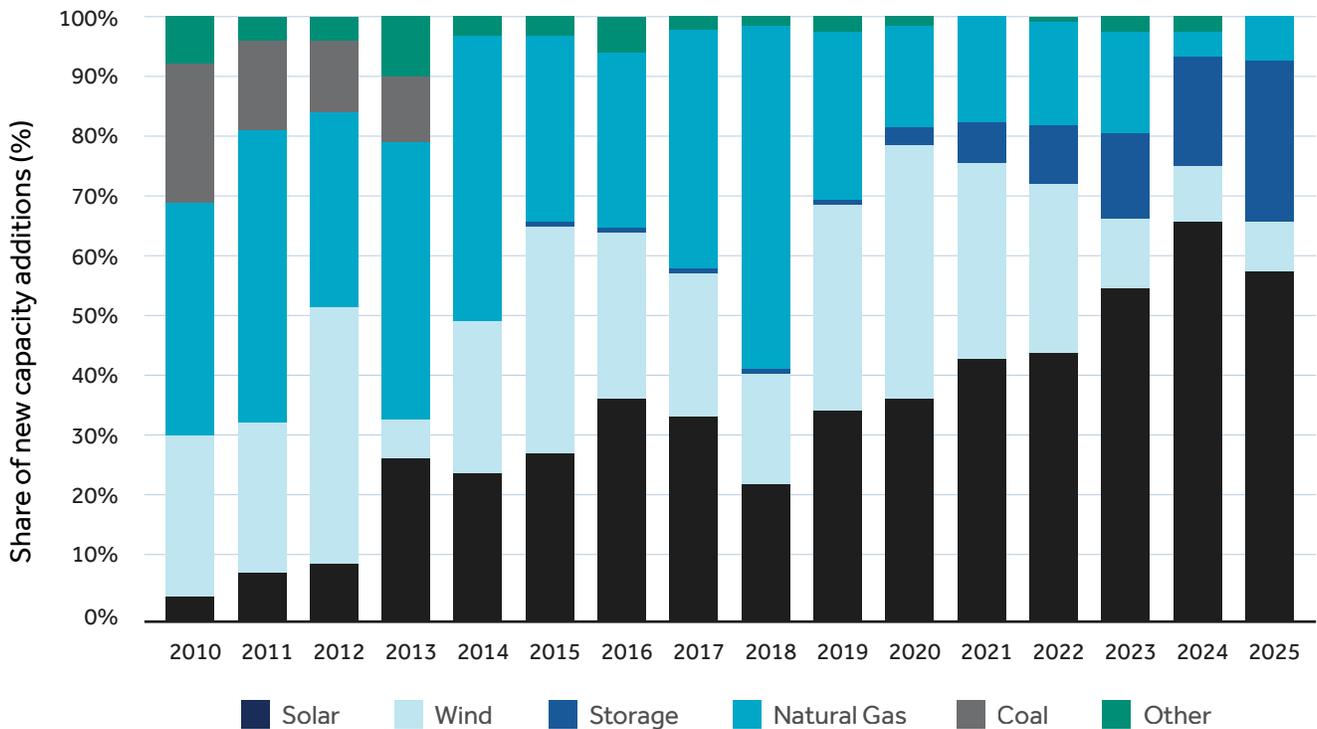
## The Demand Surge Reshaping U.S. Power Markets

2025 was a strong year for clean energy deployment in the United States. Despite ongoing policy and trade uncertainty, the data tells a clear story: clean energy continues to scale, attract capital, and support economic growth.

In 2025, solar, wind, and battery storage accounted for **over 92%** of utility-scale capacity additions, nearly matching 2024 levels, when **96%** of new U.S. power

generation capacity was carbon-free. This consistent deployment pace is largely tied to rising electricity demand. After years of relatively flat consumption, load growth has emerged as the defining force driving the U.S. power market. The rapid expansion of data centers, driven by artificial intelligence, has fundamentally changed the demand outlook, accelerating investment across the energy ecosystem.

### New U.S. electricity-generating capacity additions, 2010–Q3 2025



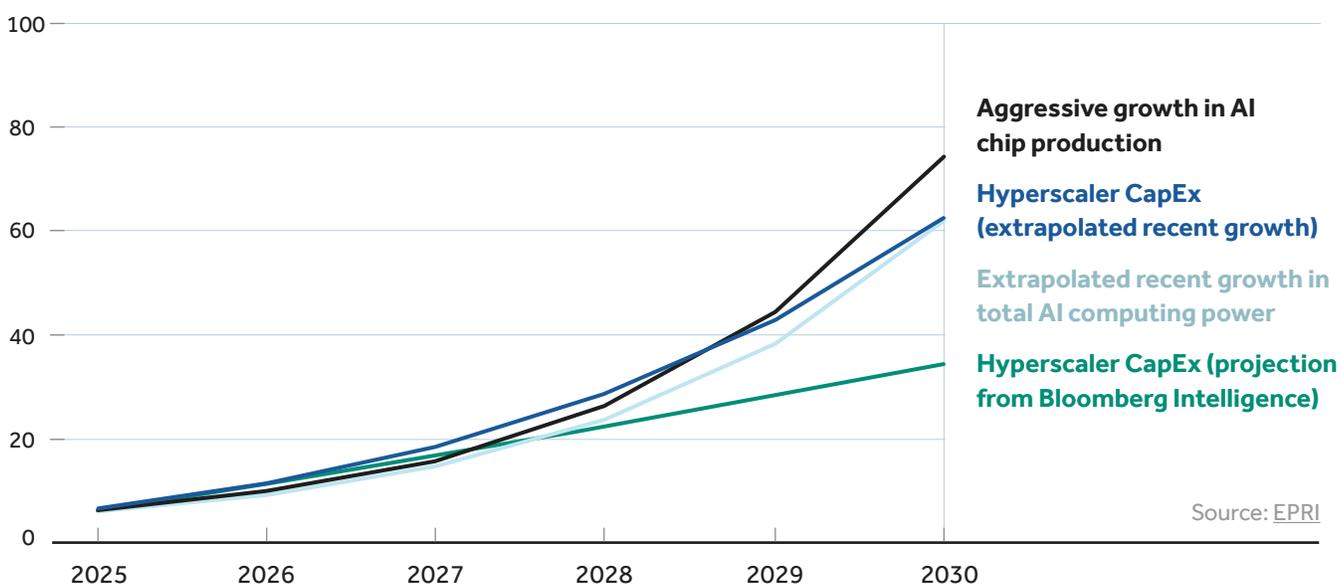
Source: Wood Mackenzie U.S. Solar Market Insight Q4 2025

In its most recent *Short-Term Energy Outlook report*, the U.S. Energy Information Administration forecasts a 1% increase in electricity consumption this year and a 3% increase in 2027 — which would make 2024 to 2027 the strongest four-year period of growth in the 21st century. This increase is being driven largely by electricity demand

from commercial and industrial customers, including data centers. A [report](#) released in August 2025 by the Electric Power Research Institute came to a similar conclusion, estimating that total AI power demand could reach more than 50 GW by 2030, up from 5 GW today.

## Forecasted total capacity of U.S. AI data centers

Power capacity (GW)



## Why clean energy is uniquely positioned

While surging electricity demand has made an all-of-the-above approach to energy deployment unavoidable, not all resources are equally positioned to respond over the next five to ten years. **Clean energy stands apart for its speed to power, scalability, and cost profile.** Although supply-chain constraints affect all generation technologies, longer lead times and equipment bottlenecks continue to limit the near-term responsiveness of

fossil fuel-based generation. **According to S&P Global**, utilities and power producers are facing wait times of up to seven years for natural gas turbines, alongside significantly higher prices. **As a result, renewables are uniquely positioned to respond more quickly to near-term power demand while supporting affordability and broader economic objectives for U.S. businesses and consumers.**

## OBBBA changes the path — not the destination

Clean energy's advantages persist even as policy evolves. The passage of the One Big Beautiful Bill Act (OBBBA) narrowed eligibility for wind and solar tax credits and introduced new constraints tied to rules limiting foreign involvement, tightening development timelines and access to incentives. While these challenges are reshaping project economics, they do not undermine clean energy's fundamental role in meeting the nation's growing electricity needs.

**Fully realizing that role will require experience, execution, and continued innovation in clean energy financing.**

This report examines the sustainable finance market dynamics that defined 2025 and how financing activity and transaction structures are evolving in 2026. While technologies, business models, and policy frameworks will continue to shift, one reality remains constant: **strong fundamentals continue to make clean energy durable, bankable, and essential in 2026 and beyond.**



# CG/ CRC-IB in 2025: A Year of Milestones

CG/ CRC-IB entered 2025 at a defining moment for the clean energy market, marked by rising power demand, shifting policies, and increasing complexity across capital formation. As these forces reshaped transaction execution across the sector, the firm scaled its advisory platform to meet the moment, expanding capabilities and executing increasingly sophisticated transactions to support sponsors, developers, and investors navigating a rapidly evolving energy transition.

That evolution accelerated at the end of the year with the firm's acquisition

by Canaccord Genuity LLC, a leading independent investment bank with capital markets and wealth management operations across North America, Europe, and Australia. The merger created a scaled advisory platform that pairs deep sector expertise and a long-standing execution track record with global reach, expanded capital markets capabilities, and access to a broader investor base. The result is a client service platform better equipped to support large-scale M&A, complex project financings, and strategic capital formation at a critical inflection point for the energy market.

**The combination of deep sector expertise and institutional scale positions us to support increasingly complex M&A, project finance, and capital formation at a moment when the market demands it.**



**Conor McKenna  
Nick Knapp  
Britta von Oesen  
Gary Durden**  
Managing Directors  
Co-Heads Energy  
Transformation Group

# 2025 Transaction Spotlight

- **55** deals executed
- **8** carbon capture and decarbonization deals
- **7 total GW**
- **\$13.7 billion** total transaction value
- **\$1.7 billion** tax credits sold

## **Copia Power — \$1.5 billion tax equity financing for two solar-plus-storage projects**

CG/ CRC-IB served as financial adviser to Copia Power on two of the largest solar-plus-storage tax equity commitments in the U.S., helping the company secure \$1.5 billion in tax equity financing for two projects in Arizona. Centennial Flats will include 500 MW of solar generating capacity and 1,069 MWh of battery energy storage, while the Maricopa Energy Center will include 550 MW of solar and 2,200 MWh of storage. Both are expected to begin commercial operation in 2026–2027.

## **ForeFront Power — Structured debt financing and partial equity sell-down of a 95 MW distributed generation solar portfolio**

The firm served as exclusive financial adviser to ForeFront Power on its ninth fund. This transaction combined structured debt

financing with a partial equity sell-down of a 95 MW portfolio of distributed generation projects spanning four states. The capital is enabling ForeFront Power to advance construction of its development pipeline while deploying cash to support continued platform growth.

## **ContourGlobal — \$350 million financing for the 324 MW Black Hollow Sun solar project**

CG/ CRC-IB served as exclusive financial adviser to ContourGlobal on a \$350 million aggregate financing package for the company's 324 MW Black Hollow Sun solar project in Colorado — the company's first tax equity investment and first U.S. renewable project finance transaction. The deal included tax capital provided by a North American independent power producer and construction and term debt financing from several global lenders.

# M&A: From Valuation Reset to Renewed Activity



M&A activity moderated in 2025 amid policy uncertainty, higher interest rates, and a persistent valuation gap between buyers and sellers. A total of 95 publicly reported renewable energy asset-level and platform transactions closed during the year — a 17% decline from 2024 — reflecting a measured slowdown rather than a material pullback in market engagement.\*

Buyer interest remained active throughout the year, but conviction often broke down at pricing. Many processes launched, paused, and ultimately stalled as buyers resisted seller valuations anchored to peak-cycle assumptions for development pipelines.

At the 2021 peak in demand for renewable projects, buyers assigned significant value to early- and mid-stage pipelines, underwriting aggressive timelines and broad risk transfer. Now, long interconnection queues, tariffs, policy shifts, and supply-chain disruptions

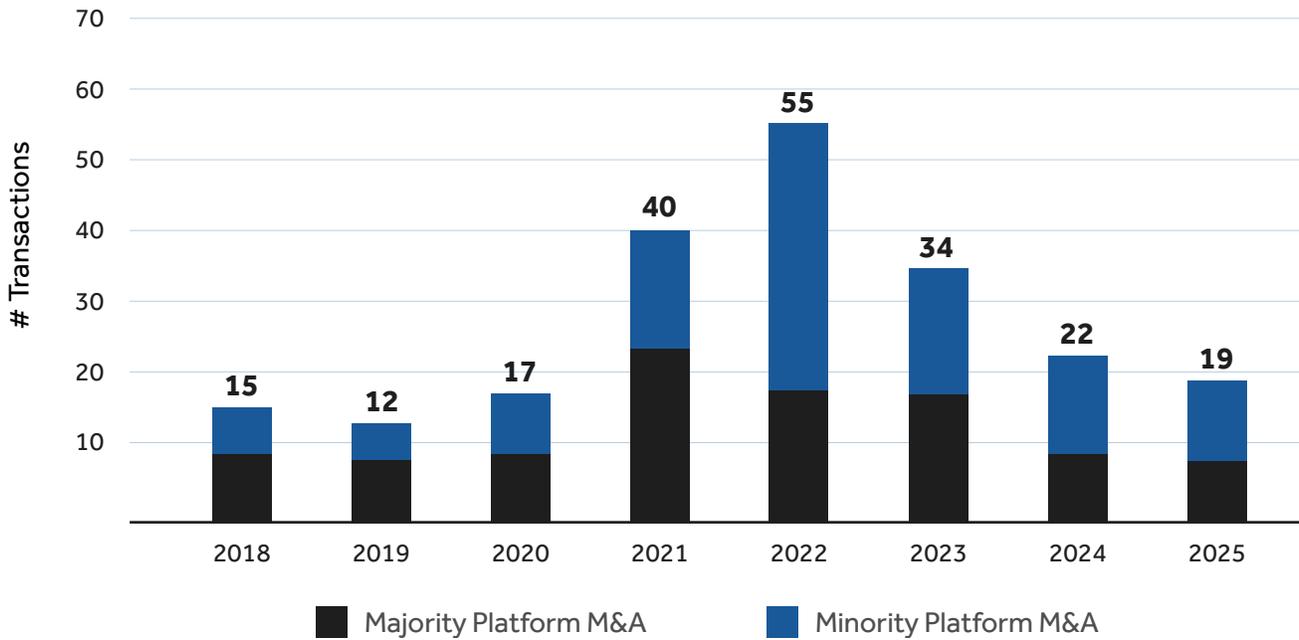
have driven a reassessment of development risk. Meanwhile, distributed generation is reaching sufficient scale for consolidation to become increasingly compelling, creating new opportunities for buyers seeking to establish scaled positions in a maturing segment.

## What buyers want:

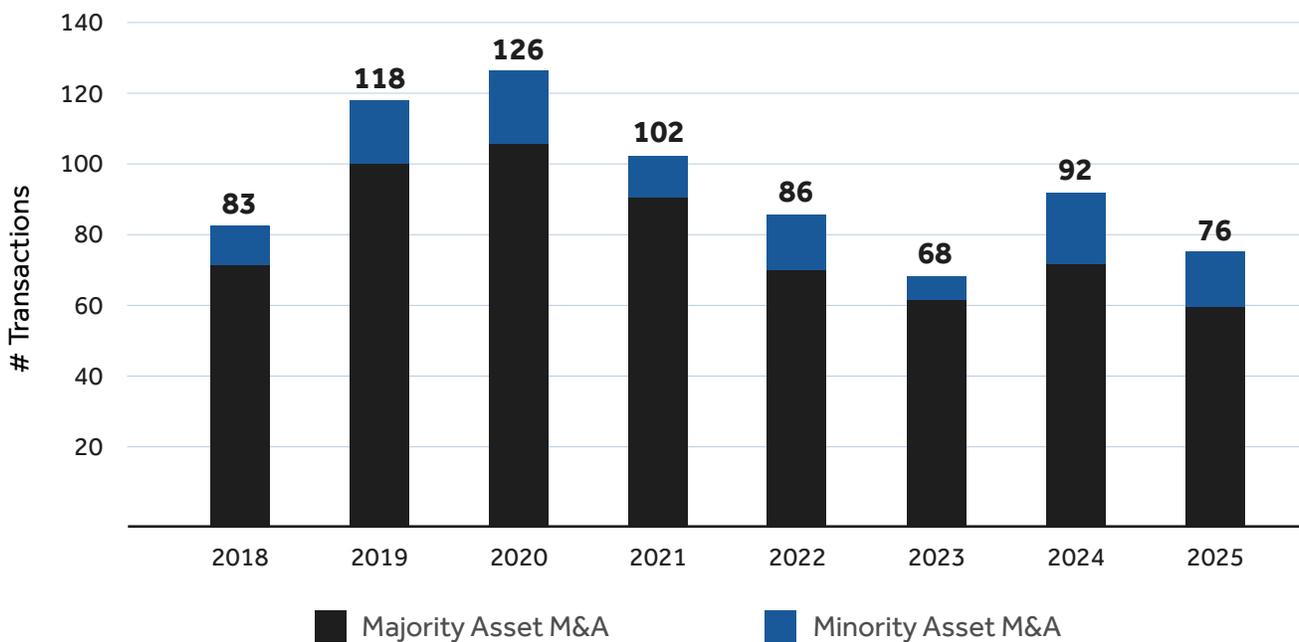
- **Operating assets** with contracted cash flows
- **Late-stage projects** nearing commercial operation
- **Scaled platforms**, with DG emerging as a key consolidation opportunity

\* Source: Announcements tracked via Infralogic (part of Ion Analytics) and available press releases through December 2025

## U.S. Renewable Energy Platform M&A



## U.S. Renewable Energy Asset M&A



Source: Announcements tracked via Infralogic (part of Ion Analytics) and available press releases through December 2025

Several forces are converging, setting the stage for increased M&A activity in 2026. Sophisticated players, including large alternative asset managers, remained active in 2025 by deploying loans, preferred equity, and other structured solutions rather than pure equity plays — a trend expected to continue in 2026. At the same time, many limited partner-backed platforms are approaching the end of their investment horizons, with fund life constraints likely to drive mandatory exits, particularly in the second half of the year.

**While M&A transaction volumes are expected to rise, valuation discipline is likely to persist.** As a result, sponsors are expected to pursue partial equity sell-downs, asset-level monetization, and staged exits, reshaping how value is realized across portfolios.

## Deal structures are evolving accordingly:

- **Buyers are increasingly shifting risk to sellers** through milestone-based payments rather than paying full notice-to-proceed value up front.
- **Risk transfer increasingly occurs later in the development cycle**, aligning pricing more closely with execution certainty.
- **Global strategies are diverging.** Some European investors are pivoting away from platform acquisitions toward operating cash flow investments, while Asian conglomerates remain active across both projects and platforms, often driven by strategic or supply-chain considerations.

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Looking ahead, the next wave of clean energy M&A will be shaped by how buyers and sellers navigate the tension between urgent power demand and execution risk. The bottom line: load growth requires substantial capacity additions, and platforms with high-quality assets and proven execution capability are positioned to command premium valuations.

**The central question for 2026 is not whether transactions will occur, but at what price and on what terms.**

# Project Finance: Accelerated Deployment, Evolving Structures



## **OBBBA pulled forward financing decisions**

Project finance activity accelerated in 2025 as solar, storage, and wind developers moved to secure tax credits ahead of the July 4, 2026 start-of-construction deadline established under the OBBBA. Projects that qualify now have a defined window to reach commercial operation, compressing development timelines and pulling forward capital deployment decisions. According to the [Solar Energy Industries Association](#), **30 GW of new solar capacity was added by the third quarter of 2025, driven in part by a rush to meet OBBBA requirements.**

## **Execution capacity now drives eligibility**

The U.S. Department of the Treasury's August 2025 decision to maintain the physical work standard for establishing beginning of construction allowed the

industry to continue with a well-established and feasible method for qualifying projects for tax credits. Some uncertainty remains, particularly around pending guidance on Foreign Entity of Concern (FEOC) rules, which continues to shape underwriting and structuring decisions.

## **Hybrid structures become the new normal**

Beyond tax credit eligibility, project finance is undergoing a broader evolution in dealmaking. Hybrid structures, combining transferability with either traditional tax equity or preferred equity, have become increasingly common, allowing sponsors to monetize depreciation while accessing a deeper pool of third-party credit buyers. While more complex, these structures have often delivered improved outcomes across capital stacks.

## Private credit expands its role

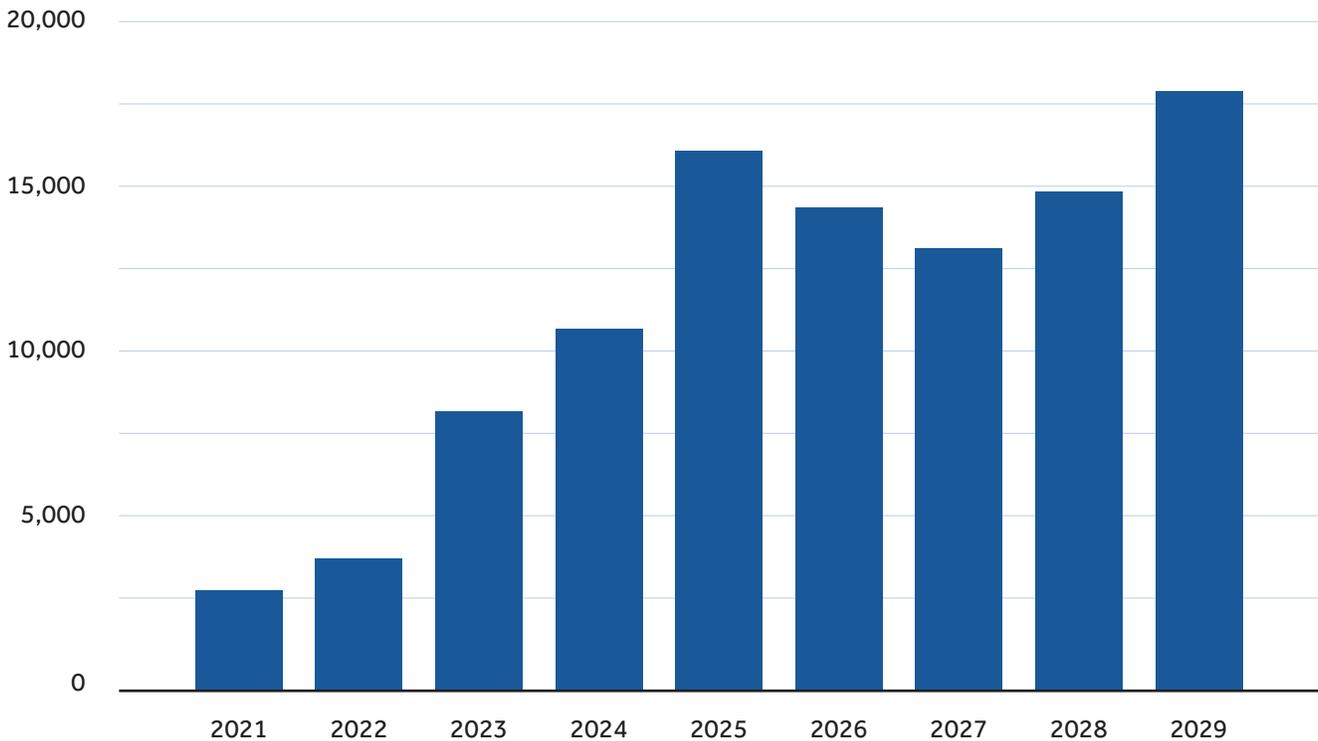
The project finance landscape has also been reshaped by the expansion of private credit into clean energy. Prior to 2020–2021, development capital loans and warehouse facilities had been largely unavailable to project developers. More recently, multiyear warehouse facilities with front leverage have emerged as financing tools, allowing some sponsors to access debt against future tax credit streams at a lower cost of capital. The expansion of debt has created some challenges. The pause in M&A activity, combined with projects stalled

by policy uncertainty and tariffs, has left some companies overleveraged and struggling to service near-term debt maturities.

## Energy storage finance evolves

Energy storage is navigating distinct project finance dynamics. Incentives from independent system operators are resulting in more co-located solar-plus-storage projects, and developers that historically focused on solar are increasingly adding storage to their offerings.

## Annual U.S. energy storage installations (MW)



Source: Wood Mackenzie U.S. Energy Storage Monitor Q4 2025

Like other technologies, storage has benefited from expanded access to finance, made possible by transferability, preferred equity, and hybrid structures. Storage also benefits from more favorable treatment than wind and solar under the OBBBA. However, storage developers must navigate FEOC considerations, with some weighing whether

to forgo tax credits to access lower-cost imported equipment or pay a premium for domestic sourcing. Over time, storage may attract increased interest from tax equity investors as available credits from solar and wind decline, potentially increasing competition among tax credit buyers.

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## What comes next in project finance:

- **Liquidity-driven transactions**, as some limited partner-backed platforms refinance or monetize assets due to fund life mandates, likely increasing project finance volumes
- **Greater differentiation among sponsors**, as developers with experience and/or strong balance sheets benefit from faster execution and more favorable tax capital terms
- **Capital rotation into adjacent technologies**, as tax capital investors pursue investments in energy storage, clean fuels, and CCUS
- **Post-subsidy structuring innovation**, including greater use of sale-leaseback or alternative partnership models, alongside rising power purchase agreement prices for unsubsidized projects



# Clean Fuels: A Newly Financeable Market



## 45Z marks a turning point for clean fuels project finance

The OBBBA meaningfully enhanced the 45Z Clean Fuel Production Credit. Key improvements included a two-year extension (through December 31, 2029), the removal of indirect land-use change (ILUC) from carbon intensity (CI) calculations, and the introduction of negative CI scores for manure-based renewable natural gas. These changes have strengthened project economics and broadened the universe of financeable projects.

Interest in 45Z-eligible clean fuels projects is accelerating, heightening the importance of execution experience in capturing value. Financing 45Z credits requires navigating evolving guidance, complex CI modeling, and qualified sale requirements. This creates both friction and opportunity for early movers.

CG/ CRC-IB has an established track record in the clean fuels space, advising on transactions across ethanol, renewable natural gas, hydrogen, and carbon capture industries.

CG/ CRC-IB served as financial adviser to Harvestone Low Carbon Partners on a first-of-its-kind \$205 million tax equity financing for its Blue Flint Ethanol facility in North Dakota. The project marked the first U.S. ethanol facility to begin capturing and sequestering CO<sup>2</sup> following passage of the Inflation Reduction Act. The transaction featured an innovative structure that enabled the investor to monetize both 45Q carbon capture credits and 45Z clean fuel credits.

The IRS issued a notice of proposed rulemaking that addressed many of the challenges faced by clean fuel producers seeking clarity on 45Z.

- **Qualified Sale**, clarified language to allow sale of clean fuel through third-party intermediary dealers or wholesalers and when an affiliate sells to an unrelated party
- **Substantiation & Certification**, ability to substantiate CI score and qualified sale with third-party certifications
- **Energy Attribute Certificates (EACs)**, allowed with tailored incrementality requirements

While some items remain subject to further guidance (provisional emissions rates and feedstock CI scores related to agricultural practices), the IRS notice should provide necessary support for the majority of clean fuel producers to scale the 45Z market rapidly.

The production-based nature of the credit, combined with favorable foreign-entity treatment and the absence of investment tax credit recapture risk, positions 45Z as a durable incentive for a broad range of clean fuel producers and investors.

## Key updates to the 45Z clean fuel production credit

**Extended runway** → 45Z extended through 2029

**Broader universe** → Removal of ILUC allows more projects to qualify

**New upside** → Negative CI scores enabled for manure-based RNG

“As power demand and transaction complexity accelerate, our role is to help clients navigate the market with disciplined execution.”

— **Conor McKenna • Nick Knapp • Britta von Oesen • Gary Durden**  
Managing Directors | Co-Heads Energy Transformation Group



# The Future: Fundamentals That Endure



## Three fundamental realities continue to make clean energy durable, bankable, and essential:

### Speed and scale.

With natural gas turbine lead times stretching to seven years and data centers requiring increased capacity, renewables remain the only scalable near-term solution to meet U.S. electricity needs over the next five to ten years.

### Financing innovation.

Transferability, hybrid structures, and emerging markets like 45Z clean fuels have expanded the investor base and created financing flexibility beyond what traditional tax equity alone can provide.

### Diversified capital sources.

Private credit, preferred equity, buyers of transferable tax credits, and hybrid structures have expanded the pathways available to finance projects, reducing reliance on any single source of capital and improving the resilience of the clean energy sector.

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Policy and clean energy market dynamics, including financing structures, will continue to evolve. One underlying reality is unchanged: **the U.S. needs more power now, and clean energy technologies are the only solutions capable of delivering at the speed and scale required.** The growing gap between the urgent demand for electricity and limited supply options makes clean energy not just viable but indispensable.

# Meeting Demand. Structuring Capital. Delivering Power.

The U.S. clean energy sector enters its next phase shaped by two enduring forces: accelerating electricity demand and an increasingly complex policy and capital markets environment. As data centers and industrial electrification drive unprecedented demand, clean energy remains the only scalable solution capable of supporting economic growth and energy security while meeting the urgent global mandate to address climate change. However, in a market shaped by the OBBBA and shifting valuations, success now requires greater execution discipline.

CG/ CRC-IB brings deep sector insight and institutional scale to help clients navigate this volatility. Whether you are a developer optimizing a capital stack through hybrid structures, a sponsor seeking a strategic exit, or a capital provider entering frontiers like 45Z clean fuels, we provide the expertise to bridge the gap between ambition and reality.

To find out how CG/ CRC-IB can support your clean energy capital strategy, [visit our website.](#)



Canaccord Genuity

## About CG/ CRC-IB

CG/ CRC-IB is a full-service investment bank providing industry-leading financial services across the energy transition. In January 2026, CRC-IB was acquired by Canaccord Genuity Group to deliver M&A, project finance, capital raising, and strategic advisory services to public and private companies and financial sponsors across the renewable energy, commercial, and industrial sectors, leveraging Canaccord Genuity's globally integrated M&A advisory and ECM-driven capital markets capabilities. Canaccord Genuity Capital Markets is the global capital markets division of Canaccord Genuity Group Inc. (TSX: CF), offering institutional and corporate clients idea-driven investment banking, mergers and acquisitions (M&A), research, sales and trading services with capabilities in North America, the UK & Europe, Asia, and Australia. We are committed to providing value-driven services to our clients throughout the entire lifecycle of their business and operating with high standards of excellence as an independent investment bank – expansive in resources and reach, but targeted in industry expertise, market focus and individual client attention. We are driven by your success. For more information, visit [www.crc-ib.com](http://www.crc-ib.com) and connect with us on [LinkedIn](#).

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